(b) These Mills are under the NTC subsidiaries namely NTC (MN) and NTC (SM) which are before BIFR. After a unit-by-unit study of viability done by Textile Research Associations, BIFR circulated Draft Rehabilitation Schemes for these companies involving revival of all revivable mills and closure of the non-reviavable ones. BIFR fixed hearing for finalisation of Rehabilitation Schemes on 26th and 28th February for NTC (SM) and NTC (MN) respectively.

(c) For protecting interests of workers, Government have agreed for giving an attractive VRS package to the affected persons.

Effect of slow down in world economy on textile industry

435. SHRI DINA NATH MISHRA: Will the . Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the world economy has slowed down since September 11, 2001 and subsequently its impact was largely felt on our Textile Industry including Mill Sector, Handloom Sector and Powerloom Sector; if so, details thereof with reference to each of these sectors;

(b) whether any remedial steps have been initiated and if so, details thereof; and

(c) whether Government have called a high level meeting including representatives of Textile Sector and State Governments to discuss the crises in this vital sector affecting lakhs of workers and other dependent people throughout the country?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (c) There are reports of slow down of the world economy since September 11, 2001. However., it is too premature to conclude that its impact is largely on our textile industry. A high level meeting including the representatives of Textile .Sector was called to discuss the prevailing situation in the textile industry and exports.

In order to mitigate the adverse effects of the prevailing conditions, Government have taken a number of measures, which include:—

(1) Large additonal quantities have been opened for most of the categories under the FCFS/RGE systems of the Quota Policies with a view to providing quotas to the garment and textile exporters on a continuous basis.

(2) In order to reduce transaction costs and time of the exporters, EMD/BG amounts have reduce for certain categories and the date for utilising quotas have been extended. Further, the L/C condition under the FCFS system has also been waived for all such categories which have quantities left over for the rest of the year.

(3) DEPB rates for certain textile products have been rationalised.

Besides, a "Textile Package" was announced in the Budget 2001-02 to strengthen domestic textile industry for meeting the growing global competition. Some of the important provisions of the "Textile Package" are:—

(i) Excise duty structure on textile items has been generally rationalised to achieve growth and maximum value addition.

(ii) Customs duty has been reduced from 15% to 5% on 159 specified textiles and garment machineries. In addition, 12 important items of machineries including shuttlclcss looms have also been exempted from countervailing duty. A programme has been announced to induct 50,000 shuttlclcss looms and to modernise 2.5 lakh powcrlooms in the decentralised sector by 2004.

(iii) Assistance under Technology Upgradation Fund Scheme (TUFS) providing for a reimbursement of 5% out of interest is available to textile industry for modernisation and upgradation. In additions, rate of depreciation allowance for machinery under TUFS has- been raised to 50%

(iv) A provision of Rs. 10 crores has been earmarked in the Budget 2001-02 for establishment of Apparel Parks for export of garments. Besides a provision of Rs. 15 crores has been made for the Scheme for improvement of critical infrastructure facilities at major textile production centres.